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56-1965

MAY 28 1956

MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: PAPS Review of Administrative Plan for SA Division
Special Project [REDACTED]

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1. An Administrative Plan for the subject project was authorized in April 1955. The Plan was prepared to provide for the writeoff of project funds transmitted in indigenous currency to agents penetrating denied areas, which funds could not be accounted for in conformance with existing Agency regulations.

2. A review of the Plan was initiated in the latter part of April 1956, and at that time this Staff was advised by both SA Division and Finance Division that there was no need for the Plan and that the Division had never operated under it because almost concurrently with the authorization of the Plan, a staff study applicable to the financial requirements of this project was prepared by the Chief, Finance Division and approved by the Comptroller under date of 27 April 1955.

3. The study establishes accounting procedures for funds furnished agents penetrating denied areas and takes the position that such procedures represent a standardization and definition of accounting requirements rather than a waiver or modification of normal requirements. It concludes, therefore, that such procedures may be implemented under regulations without recourse to an Administrative Plan or other special approval processes. (It appears to be implicit in the study that the reference to regulations means existing regulations, since the study itself, as approved, is considered the authority for using the procedures established thereby.)

4. This Staff well recognizes the advantages in establishing standardized procedures whenever applicable, and the accounting for funds in denied areas appears to lend itself to such standardization. However, while it is not within the province of this Staff to determine either the propriety of the medium used to establish these procedures or the adequacy of its circulation, it does appear that an Agency regulation covering the matter would insure that the procedures are properly authorized and that all affected Agency components have knowledge of them. A copy of the study is attached for your information.

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Project Review Officer

PAPS/LPS/ST:hc
(9 May 1956)

Chief
Project Administrative Planning Staff, LPS/ST

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By: 009

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